



CITY OF CONCORD

NEW HAMPSHIRE

City Hall - 41 Green Street - Concord, NH 03301 - tel. (603) 225-8510 - fax (603) 228-2701

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE MINUTES

April 21, 2010

The meeting was convened at 12:10 P.M. in the Second Floor Conference Room, City Hall, 41 Green Street, Concord, NH 03301.

Present: Jeff Bart, Allen Bennett, Mark Coen, Michael Gfroerer, Todd Haywood, Nadine Salley, and Janet Sprague

Absent: Elizabeth Blanchard and Amanda Grady

Staff: Matt Walsh, Assistant for Special Projects
Joia Hughes, Consultant
Bev Rafferty, Administrative Assistant

1. Minutes of March 24, 2010 meeting

Michael Gfroerer made a motion to accept the minutes as written; seconded by Mark Coen; motion passed unanimously.

2. Annual Public Hearing on Community Development Block Grants

A general overview of Grant #09-150-PF-R Second Start Energy Efficient Renovation was provided by Joia Hughes.

Joia Hughes explained this is the mid-point progress hearing. She reviewed what had transpired to date. Community Development Investment Program (CDIP) monies are being used for this project as well as the block grant monies. The block grant funds will be used to do insulation and purchase windows.

Ms. Hughes noted there was a mandatory pre-bid walk-thru done on January 15, 2010, which was attended by 23 contractors. On February 8, 2010, 7 bids were received. The window bid was awarded to Guimond Construction from Bow. The windows are coming from California and the work should be done during school vacation. Ms. Hughes also noted that the Historic Resources office did not want some of the windows replaced.

All bids came in under budget so there is approximately \$20,000 remaining in the grant funds which may be used toward another part of the project. The insulation bid has not yet been awarded as there were some questions on the specs for that. All work, however, should be completed this Summer.

Chairperson Bart then opened the public hearing for testimony; there was no public testimony; the Chair then closed the public hearing.

3. CATCH 2010 CDBG Grant Application: Joia Hughes noted that the NH CDFA would be making their announcement of awarded grants tomorrow, April 22, 2010. There was nothing new to report at this time.

4. REVOLVING LOAN FUND:

- **John Duncan loan request:** At last month's meeting Joia Hughes had explained to CDAC some extenuating circumstances with this loan request and had asked the committee if they wanted her to pursue it further. At that time, CDAC directed Ms. Hughes to proceed with review of the application. Based upon this direction, Ms. Hughes reported that review of the application is now complete and that the home is in need of significant repairs. Specifically, she informed CDAC that the roof on Mr. Duncan's home is in need of severe repairs. It is probably the original roof and was not well constructed. The shingles are rotting off and tarps are covering the roof at this time.

In addition, Ms. Hughes reported that several of the home's windows are rotted and that a large sink hole has developed in the driveway. The sink hole is deep enough so as the occupant's cars bottom out thereby causing significant damage to their vehicles. Ms. Hughes also reported that mold is forming in the attic space due to the damaged roof. Ms. Hughes informed CDAC that she could not recommend funding this request as it does not meet the Program Income Reuse Plan (PIRP) criteria. She continued, however, that the debt-to-income ratio does support the loan and she feels the Duncan's have the capacity to repay it.

There was discussion regarding CDAC approving the loan and what would happen if the Duncan's defaulted. Ms. Hughes noted the assessed value of the home and what other homes in the area have sold for recently so it is believed the Duncan's have \$20,000 to \$30,000 in equity in the house. The house is an eyesore to the neighborhood. Ms. Hughes explained that the cul-de-sac has some very nice homes on it but this house really needs repairs and soon.

After some general discussion regarding personal financial questions, payment of property taxes, household income, and job security, Michael Gfroerer made a motion to approve the loan in the amount of \$18,110 for ten years (120 months) at 3% interest for a monthly payment of \$174.87. The motion was seconded by Todd Haywood and the motion passed unanimously.

- **Jack and Pamela Shephard loan request:** Joia Hughes informed CDAC that a request had been received from the Shephard's of 116 Sewalls Falls Road for funds to get them connected to the city sewer system. She explained that the home's septic system was recently damaged by heavy rains and that methane gas is entering their home from their septic tank whenever it rains.

Ms. Hughes reported that there are several issues with this request, including ascertaining the total number of persons in the household as well as ownership interests in the property. Ms. Hughes requested an additional month to do further due diligence before CDAC takes action on this request.

Michael Gfroerer asked that this be tabled until May and the CDAC members present agreed with his request.

- **Racquet Club of Concord:** Matt Walsh informed CDAC that on the day he and Joia Hughes were to pay an unannounced visit to the Racquet Club, John Nelson was in City Hall making payments on his property taxes. Mr. Walsh and Ms. Hughes spoke with Mr. Nelson at that time. Mr. Nelson has paid approximately \$80,000 toward his back taxes in the last 3 months.

Bev Rafferty informed CDAC that certified letters had been sent to both Mr. Nelson and his daughter, Debbie, who staff had been informed was now handling his financial matters. The letters explained their arrearage on the loan account. Ms. Rafferty has spoken with Ms. Nelson and the Racquet Club will now be sending \$1,000/month to help get caught up on their loan. Ms. Nelson also informed Ms. Rafferty that the Club will try and send more money once their summer day camp programs open. Ms. Rafferty asked CDAC if this payment plan was acceptable to them and the CDAC members present agreed to accept this plan for the present time. Staff will continue to monitor for compliance.

- **Interest Received from Loan Repayments:** At last month's CDAC meeting staff was asked to prepare a report indicating how much interest was received from the loan repayments on an annual basis. Because the City's financial software does not allow staff to gather that information, staff reviewed each loan's amortization sheet and prepared a report based on the March 2010 repayments and how much interest would be received from those payments. It was noted that if all loan clients made their respective March 2010 payment, the amount of interest received would be approximately \$2,100. Based on this, the yearly interest received would be approximately \$24,000.

Mr. Walsh explained that CDAC had wanted to be sure the amount received would cover the amount being requested in the FY 2011 budget for the loan fund Administration. The FY 2011 budget amount being requested is \$7,760 so there is sufficient interest being earned on the program to cover this budget request and to allow the loan program to continue to flourish.

- **Foreclosure Notices:** At last month's meeting CDAC had requested staff prepare a report showing how much money would be lost if the foreclosures on file go through but there are not enough funds to pay the City back for the loan or grant funds because the City has subordinated to the first mortgage holder or there is not enough value in the homes. Of the clients in foreclosure, three were grant recipients. Because grantees only need to repay the City if they sell their homes, Matt Walsh noted that the City never really plans to recoup this money. However, relative to loans, two loans totaling \$24,000 are in foreclosure. Staff informed CDAC that one of the loan clients is still

making their monthly loan payments on time even though their home is in foreclosure. It was also noted that if the home is foreclosed on, however, there would be no obligation for the client to continue making payments.

5. Other Business

There was no other business brought before CDAC today.

6. Adjournment

There being no other business brought before CDAC, and upon a motion duly made and seconded, with unanimous approval, the meeting adjourned at 1:10 P.M.

Respectfully Submitted,

Beverly A. Rafferty
Administrative Assistant